



# PHILIP MORRIS

U. S. A.

120 PARK AVENUE, NEW YORK, N.Y. 10017-5592 TELEPHONE (212) 880-5000

June 20, 1996

Mr. Daniel Ramos  
President  
R & P Marketing, Inc.  
3801 West Lake Mary Boulevard, Suite 119  
P.O. Box 130  
Lake Mary, Florida 32746

## MARLBORO MUSIC RAICES FESTIVAL CONCERT

Dear Mr. Ramos:

This letter constitutes the agreement (the "Agreement") between Philip Morris Incorporated ("Philip Morris") and R & P Marketing, Inc. ("Promoter") regarding Philip Morris' sponsorship of the **MARLBORO Music Raices Festival Concert** (the "Concert") to be held on October 27, 1996 at the Florida Fair Grounds in Orlando, Florida. The terms of our agreement follow.

1. Sponsorship Rights. In consideration for Philip Morris' sponsorship and providing the talent listed in Exhibit A attached hereto (the "Artists"), or alternative talent of equal quality, for the Concert, Promoter grants to Philip Morris the following sponsorship rights in connection with the Concert:

(a) the exclusive right to distribute branded incentive items among smokers twenty-one years of age or older from promotional booths located in an exclusive 40' x 40' area of the Florida Fair Grounds. The locations of the booths have been mutually agreed upon by the parties prior to the date hereof;

(b) the exclusive right to adequate space for the operation of a promotional booth at the Concert, to be supplied by Philip Morris and staffed by third parties designated by Philip Morris from which they will conduct name generation activities among smokers twenty-one years of age or older. The location of the booth will be mutually agreed upon by the parties;

(c) the exclusive right to conduct tobacco sales, name generation activities and branded incentive item distribution among smokers twenty-one years of age or older at a

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Philip Morris supplied 10' x 22' promotional tent at the Concert. The location of the tent will be mutually agreed upon by the parties;

(d) the right to hang and display banners and signage on and around the promotional booths and tent and at other locations at the site of the Concert to be mutually agreed upon by the parties;

(e) two hundred complimentary VIP Concert tickets to be delivered to Philip Morris upon execution of the Agreement;

(f) the exclusive use of a hospitality area with furnishings and food and beverages to be supplied by Philip Morris. The location of the hospitality area will be subject to the approval of Philip Morris; and

(g) the right to recognition in advertising placed in connection with the Concert and the right to approve in advance all materials and announcements prepared by Promoter that mention Philip Morris, **MARLBORO** or **MARLBORO Music**; provided, however, that such approval is effected on a timely basis.

2. Philip Morris' Obligations. Philip Morris will:

(a) provide top name entertainment to perform at the Concert;

(b) provide the services of See Factor Industry, Inc., or an alternative coordinator designated by Philip Morris, to control stage design and provide production and stage management, supervision and support to Promoter's production staff;

(c) provide the services of a public relations agency to publicize the Concert;

(d) use the **MARLBORO Music** logo and the title **MARLBORO Music Raices Festival Concert** in connection with the Concert;

(e) provide local print advertising featuring the **MARLBORO Music** logo for additional media support, with copy and artwork to be provided solely by Philip Morris; and

(f) assume complete responsibility for securing all music licensing rights and paying all required fees, including, ASCAP and BMI.

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3. Promoter's Obligations. Promoter will:

(a) use, and ensure that the Artists use, the official name, **MARLBORO Music Raices Festival Concert** when referring to the Concert. Such use will not constitute an endorsement by Philip Morris or the Artists;

(b) provide complimentary secured parking for all buses, trucks, and rental cars used by the Artists and the Artists' personnel, Philip Morris' personnel and other personnel associated with the Concert;

(c) provide venue house security, and, under the direction of a third party engaged by Philip Morris to provide staffing requirements, provide backstage security;

(d) provide complimentary on-site storage space, vendor parking and admission passes in quantities reasonably requested by Philip Morris;

(e) provide exclusive ample space for an on-site hospitality area in a location acceptable to Philip Morris for the day of the Concert only;

(f) unless otherwise directed by Philip Morris, enter into performance agreements with the Artists (the "Performance Agreements"). Promoter must obtain Philip Morris' written approval prior to entering into a Performance Agreement, and Promoter will use its best efforts to ensure that each Performance Agreement contains the following terms governing the Artist's conduct and will immediately inform Philip Morris if and when any Performance Agreement will or does not contain the following items:

(1) for a period of seventy-five days prior to and forty days subsequent to the Concert, the Artist will not perform, advertise or permit to be advertised, a performance by such Artist within one hundred fifty miles of the Concert site without the prior, written approval of Philip Morris;

(2) Philip Morris will have the right to use brand and event logos created by Philip Morris and the phrase "**MARLBORO Music**" in conjunction with the name, likeness and logo of the Artist in connection with the Concert;

(3) the Artist will be available for and properly participate in media training sessions, interviews, public appearances, press conferences, and other promotional activities, if, as and when requested by Philip Morris;

(4) if the Artist is a "name" Artist, such Artist will appear at pre- or post-Concert receptions held in connection with the Concert, when

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reasonably feasible. Reasonable expenses incurred in connection with such appearances will be reimbursed by Philip Morris, up to a maximum amount to be agreed upon in advance in writing; and

(5) the Artist will not disclose the existence or terms of the Performance Agreement to third parties without the prior, written permission of Philip Morris.

Upon execution, Promoter will deliver copies of all Performance Agreements to Philip Morris;

(g) adhere to the production requirements and signage lighting requirements attached hereto as Exhibits B and C, respectively, and to Performance Agreements, including riders thereto; and

(h) obtain all releases, licenses, permits, approvals, consents and other documents required in connection with the Concert and for the performance of Promoter's duties under the Agreement and advise Philip Morris in advance of any charges or fees that will be incurred in obtaining such releases, licenses, permits, approvals, consents or other documents.

4. Term and Termination.

(a) The term of the Agreement will commence upon its execution, and will continue through the later of the date of the Concert or Promoter's complete performance of its obligations under the Agreement to the reasonable satisfaction of Philip Morris. Philip Morris has the right to renew the Agreement, if the Concert is held in 1997, upon written notice delivered to Promoter on or before February 1, 1997. If Philip Morris elects to renew the Agreement, all terms and conditions of the Agreement will be applied to any renewal, except for appropriate date changes. The parties will memorialize their agreement in a separate writing.

(b) If any federal, state, municipal or local law, regulation, ordinance, order, ruling, judgement, consent decree or other governmental action becomes effective that makes the promotion of tobacco products as contemplated by the Agreement unlawful, impracticable or, in the judgment of Philip Morris, materially reduces the value of the Agreement to Philip Morris, the Agreement may be terminated by Philip Morris as of the effective date of the law, regulation, ordinance, order, ruling, judgment, consent decree or action.

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5. Ownership. All material prepared or developed by Promoter pursuant to the Agreement will become the property of Philip Morris and Promoter hereby agrees to assign to Philip Morris any and all rights to copyright the material. Upon the acceptance by Philip Morris of any copyrightable material prepared by Promoter, Promoter at the request of Philip Morris will assign all of its right, title and interest in and to the material to Philip Morris and execute an assignment in a form acceptable to Philip Morris.

6. Confidentiality. Promoter, its employees and agents will hold strictly confidential the existence and terms of the Agreement and all information and materials provided by Philip Morris to Promoter or created or acquired by Promoter in performing services pursuant to the Agreement. Promoter will not use or disclose the information or materials, or any other confidential information to third parties without the prior, written consent of Philip Morris. Upon the termination or expiration of the Agreement, Promoter will return all materials to Philip Morris. Promoter will not disclose the existence or terms of the Agreement to third parties, except as is necessary for the performance of its obligations hereunder, without the prior, written consent of Philip Morris. Promoter's obligation to maintain confidentiality will survive the termination or expiration of the Agreement.

7. Exclusivity. Promoter will not enter into sponsorship agreements with any other manufacturer of cigarettes or other tobacco products and will not permit any signage or commercial identification of any other cigarettes or other tobacco products or tobacco product branded incentive items in connection with the Concert, without the prior, written consent of Philip Morris.

8. Independent Contractor. Promoter is and will remain an independent contractor, and nothing in the Agreement will be construed to create a relation of principal and agent or employer and employee between Philip Morris and Promoter or any of Promoter's employees or agents within the meaning of any federal, state or local law. Except as specifically stated in the Agreement, Promoter will not enter into any agreement, oral or written, on behalf of Philip Morris or otherwise obligate Philip Morris without Philip Morris' prior, written approval.

9. The MARLBORO Name. Promoter recognizes and acknowledges that the **MARLBORO Music** and **MARLBORO** names and the names of other Philip Morris brands, the designs, emblems, slogans and insignia of the respective brands, and the goodwill associated therewith, have great value and are the sole property of Philip Morris. Promoter agrees that it has and will claim no right, title or interest in or to the same or the use thereof except the limited right to use pursuant to the Agreement. All use is subject to the advance approval of Philip Morris described in Paragraph 1(g).

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10. Insurance. Within thirty days after execution of the Agreement, Promoter will deliver to Philip Morris certificates of insurance and, if requested by Philip Morris, copies of the underlying policies relating to the certificates, issued by insurers acceptable to Philip Morris and evidencing: (i) comprehensive general liability coverage, including advertisers', contractual, participants' and spectators' liability, with a combined single limit of no less than \$5,000,000 per occurrence for bodily injury, including personal injury, and property damage; (ii) statutory workers' compensation coverage meeting all state and local requirements, including coverage for employers' liability with limits of no less than \$500,000; and (iii) comprehensive automobile liability coverage for all owned, non-owned, and hired vehicles with bodily injury limits of no less than \$1,000,000 per person, \$1,000,000 per accident; and property damage limits of no less than \$1,000,000 per accident. The certificates of insurance must name Philip Morris, its affiliates, employees and assigns as additional insureds and must state that Philip Morris will be provided at least thirty days' advance, written notice of a cancellation or modification of the insurance. The insurance must be primary coverage without right of contribution from any other Philip Morris insurance. Insurance maintained by Philip Morris is for the exclusive benefit of Philip Morris and will not inure to the benefit of Promoter.

11. Indemnity. Promoter agrees to indemnify and hold harmless Philip Morris, its affiliates, agents and subcontractors, and each of their respective officers, employees, directors and agents from all claims, liabilities, costs or expenses, including reasonable attorneys' fees, that arise from or may be attributable to any error, omission or fault of Promoter. Promoter's obligation to indemnify and hold harmless will survive the termination or expiration of the Agreement.

12. Third Party Contacts. If at any time Promoter is contacted by a third party, including the media, other than as contemplated by the terms of the Agreement, concerning Promoter's activities on behalf of Philip Morris, Promoter will make no comment, immediately notify Philip Morris of the third party contact, and refer the third party to Philip Morris, Senior Vice President, Corporate Affairs.

13. Notices. Any notice given under the terms of the Agreement must be in writing and delivered by United States certified mail, return receipt requested, postage prepaid, and if to Promoter, at the address set forth above, Attention: Mr. Daniel Ramos, and if to Philip Morris, to Philip Morris Incorporated, 120 Park Avenue, New York, New York 10017, Attention: Vice President, Marketing Services.

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14. Miscellaneous.

(a) The Agreement and all matters collateral hereto, will be governed by the laws of the State of New York applicable to contracts made and to be performed entirely within the State of New York.

(b) Force Majeure, acts of God, or other causes beyond the reasonable control of any party delaying or causing the cancellation or delay of the Concert will not subject Promoter or Philip Morris to any liability hereunder, except if, and to the extent, otherwise specifically provided herein.

(c) The Agreement may not be modified or amended except by a writing signed by both parties. No waiver of a breach of any term or condition of the Agreement will be deemed a waiver of any subsequent breach of the term or condition or any other term or condition of the Agreement or a general waiver.

(d) The Agreement may not be assigned by either party without the written consent of the other party. If an assignment occurs, the assignment will not relieve the assigning party of its liabilities or obligations under the Agreement. The Agreement is binding upon successors and assignees of the parties.

(e) The Agreement sets forth the entire agreement between the parties and supersedes all previous oral or written agreements between the parties on the subject matter of the Agreement.

(f) If any provision of the Agreement is held invalid or unenforceable, the remaining provisions will remain in effect.

(g) Each party hereto will comply with all applicable laws, regulations and ordinances affecting its activities hereunder, including the provisions of Title 15 U.S.C. §§ 1331 et seq.

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If the foregoing accurately sets forth our understanding, please signify your acceptance and agreement by executing and returning the enclosed copies of this letter. We will forward one fully executed copy to you.

Very truly yours,

*Orin*  
**PHILIP MORRIS INCORPORATED**

By: \_\_\_\_\_

Title: \_\_\_\_\_

ACCEPTED AND AGREED:

**R & P MARKETING, INC.**

By: \_\_\_\_\_  
Daniel Ramos

Title: \_\_\_\_\_

Taxpayer ID No.: \_\_\_\_\_

Filing Status: \_\_\_\_\_

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**EXHIBIT A**

**ARTISTS**

**[TO BE PROVIDED]**

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## EXHIBIT B

### PRODUCTION REQUIREMENTS

Following are minimum production requirements for staging the 1996 **MARLBORO** Music Raices Festival Concert:

- Stage: Sound wings capable of supporting two 24' x 24' **MARLBORO** scrims (drapes).
- Power: The following is the minimum power requirement for lighting and sound. The source can be either share power or generator. In the event of generator supplied power, an additional 300 KUA back-up generator is required.  
  
Lighting: One 400 AMP 30 service  
Sound: One 200 AMP 30 service plus power distribution for on-stage equipment
- Lights: 120 K lighting system for the stage, with additional instruments to light **MARLBORO** scrims and flags. See Exhibit C for appropriate lamps and acceptable substitutes.
- Sound: Adequate for location with ability to fulfill completely band contract requirements.
- Labor: Experienced stage hands as are necessary for the Concert, including set-up/tear-down of **MARLBORO** scrims.
- Catering: As per artist contract.
- Dressing Rooms: As per artist contract.
- Hospitality Tent: 30' x 40' with lights  
Three 20 AMP services with lights
- On-site Production: Office with two phone lines.
- On Fly Dates: Backline as per artist contract.
- Two Runners: One with a fifteen passenger vehicle.  
One with a vehicle.

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- Ground Transport: As per artist contract.
- Other requirements:
  - A. Ability to strike all other corporate logos and signage at venue.
  - B. **MARLBORO** credentials will be used exclusively on the day of the show.

**NOTE:** These are typical requirements. Exact requirements are dependent on the venue and will be decided by the **MARLBORO** advance team.

## EXHIBIT C

### SIGNAGE LIGHTING REQUIREMENTS

Following is a list of additional required lighting for the **MARLBORO** signage. All lamps must be fully dimmable and controlled from either the front of house console or another position with the approval of **MARLBORO Music's** Production Manager.

#### MARLBORO SCRIMS

Two 24' x 24' scrims hang in front of the speaker stacks on either side of the stage. These should be lit with two 9 light Mole Richardson Mole Fays, with DWE lamps, per scrim.

##### *Acceptable Substitutes:*

Eight Light Thomas Moles (NO ACL's): Two per scrim  
Four Cell 1K Far cys: Two per scrim

#### MARLBORO FLAGS

Six 2' x 12' Red Flags hang on various parts of the stage and sound wings. These should be lit with one Par 64 1K MFL each.

##### *Acceptable Substitutes:*

8" 1K Fresnel with Barndoors: One per flag  
Par 46 MFL lanterns: Two per flag

#### MARLBORO HEADER

A 40' header hangs across the down stage edge of the roof. It should be lit, from the floor, with two Bars of 4 Par 64 ACL's.

##### *Acceptable Substitutes:*

Two Bars of 6 Par 64 UNSP  
Three Bars of 4 Par 36 ACL's